

**2019 DRAFTING REQUEST**

**Bill**

For: **Administration-Budget** Drafter: **mjohns**  
 By: **Stinebrink** Secondary Drafters: **mgallagh**  
 Date: **10/23/2018** May Contact:  
 Same as LRB:

Submit via email: **YES**  
 Requester's email:  
 Carbon copy (CC) to: **DOASBOStatLanguage@wisconsin.gov**  
**Cory.Stinebrink@wisconsin.gov**  
**michael.gallagher@legis.wisconsin.gov**

**Pre Topic:**

DOA:.....Stinebrink, BB0020 -

**Topic:**

Program 3 Elimination

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 11/15/2018	csicilia 11/28/2018			
/P1	mgallagh 2/17/2019	csicilia 2/18/2019	lparisi 11/28/2018		
/P2	anienaja 2/25/2019	anienaja 2/25/2019	lparisi 2/18/2019		State
/P3			dwalker 2/25/2019		State

FE Sent For:

**<END>**

## Johns, Melinda

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**From:** Hanaman, Cathlene  
**Sent:** Tuesday, October 23, 2018 2:55 PM  
**To:** Johns, Melinda  
**Subject:** FW: Statutory Language Drafting Request - 2019-21  
**Attachments:** DOA - ABC Doc Elimination of Program 3.docx

**From:** Stinebrink, Cory R - DOA  
**Sent:** Tuesday, October 23, 2018 2:38 PM  
**To:** Hanaman, Cathlene <Cathlene.Hanaman@legis.wisconsin.gov>  
**Cc:** Dombrowski, Cynthia A - DOA <Cynthia.Dombrowski@wisconsin.gov>; Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>  
**Subject:** Statutory Language Drafting Request - 2019-21

Biennial Budget: 2019-21

Topic: Program 3 Elimination

Tracking Code: BB0020

SBO Team: HSI

SBO Analyst: Stinebrink, Cory R - DOA  
Phone: (608) 266-0239  
E-mail: [Cory.Stinebrink@Wisconsin.gov](mailto:Cory.Stinebrink@Wisconsin.gov)

Agency Acronym: 485

Agency Number: 485

Priority: Medium

Intent:

Eliminate the Veterans Housing Loan Program.

Eliminate the statutory language in s. 20.485, all program (3) appropriations and Chapter 45, Subchapter III, Veterans Housing Loan Program ss. 45.30 through 45.37, Wis. Stats., along with corresponding Wisconsin Administrative Code, VA 4.01 through 4.14, Primary Mortgage Loan Program. See attachment.

Attachments: True

Please send completed drafts to [SBOSatlanguage@spsmail.enterprise.wistate.us](mailto:SBOSatlanguage@spsmail.enterprise.wistate.us)

## 2019-21 Agency Business Case

**Agency: 48500**

**Request Title: Eliminate Program Three (3)  
Appropriations, except s. 20.485 (3)(wd), numeric 367**

**Secretary's Priority: TBD**

**Resources for Request:** Please indicate impact of request on agency base resources.

- Reduction
- Reallocation within agency
- Reallocation between agencies
- New

### Governor's Priorities

Please check the priority(ies) to which this item relates.

- Best State for Millennials and Retirees
- Increase High School Graduation
- Prepare Students for College and Career
- Make Higher Education More Affordable
- Increase Labor Force Participation
- Improve Health Care
- Reduce Opioid and Drug Abuse
- Transportation and Broadband
- Increase Take-Home Pay
- Reduce the Tax Burden
- Fiscal Responsibility

Amount of Reduction/Reallocation/etc.:

FY20 \$(6,695,700) FY21 \$(6,695,700) (One-Time \$(6,695,700); Program 3)

\*FY20 \$197,000 FY21 \$197,000 (Ongoing \$197,000; Program 2)

Fund Source(s):

GPR \_\_\_% PR-O \_\_\_% PR-S \_\_\_% PR-F \_\_\_% SEG 100% SEG-F \_\_\_%

Bonding \_\_\_% (Debt Service paid from \_\_\_) Other \_\_\_% (Please identify: \_\_\_\_\_)

FTE Reduced/Reallocated/Added, etc.:

FY20 (2.3) FY21 (2.3) (Permanent (.34); Unclassified (1.96) - Program 3)

FY20 1.96 FY21 1.96 (Permanent \_\_\_; Unclassified 1.96 - Program 2)

Appropriations Affected: 261 361(q), 362(r), 363(s), 364(t), 365(t), 370(sm)

\*Includes 2% GWA from January 2019

### **Submit a narrative of the fiscal impact of this proposal.**

The fiscal impact of this proposal is the elimination of s.20.485 (3), Wis. Stats., Self-Amortizing Mortgage Loans for Veterans, except s. 20.485 (3)(wd), numeric 367 and a reallocation of position funding and FTE from s.20.485 (3)(s) to s.20.485 (2)(u), Wis. Stats., for the Wisconsin Department of Veterans Affairs (WDVA). The WDVA will utilize current FTE in s. 20.485 (2)(u), Wis. Stats., to accomplish the reallocation for positions that are funded by s. 20.485 (3)(s), Wis. Stats. The Mortgage Loan portfolio,

including the Home Improvement Loan Program will be sold to the Wisconsin Housing and Economic Development Authority (WHEDA), effective November 1, 2018.

**Background** (Please answer all questions in this section. Incomplete forms may be returned or may not be considered for further review.)

**Provide a brief description of the request including, at a minimum, the program or system affected, overall goal, target population to affect, and reason for request.**

This request eliminates all appropriations under s. 20.485 (3), Wis. Stats., except s. 20.485 (3)(wd), numeric 367. That appropriation will be used for WDVA's request on ABC paper; *Reinstate the PLP (Personal Loan Program) Loan Program* (see attached).

The mortgage loan program started in approximately 1974 and the last mortgage loans were processed in 2010. The WDVA loan program could no longer compete with private sector interest rates and a moratorium was placed on all mortgage loans. With no new loans being added to the portfolio, the mortgage backed loan program needed to be sold. WHEDA has the ability through economies of scale and expertise to service the remainder of the portfolio. The sale of WDVA's loan portfolio will be effective November 1, 2018 removing the need for Program Three (3) at the WDVA.

Due to this sale, there are five (5) positions in s. 20.485 (3)(s) Wis. Stats., numeric 363, that will be affected. In light of the sale, position reallocations and eliminations will need to be implemented. The five (5) positions affected are as follows:

**077453** – Financial Specialist Senior – position authority is a 1.00 FTE and current HCM funding is 85% from s. 20.485 (2)(u), numeric 261, and 15% from s. 20.485 (3)(s), numeric 363. The 85% in s. 20.485 (2)(u) is to be transferred to position 304396 as unclassified position authority (see below). With the sale, the remaining 15% from (3)(s) and this position will be eliminated.

**052027** – Real Estate Specialist Senior – position authority is a 1.00 FTE and current HCM funding is 96% s. 20.485 (2)(u), numeric 261 and 4% s. 20.485 (3)(s), numeric 363. This position's 96% from (2)(u) is to be transferred to position 338492 as unclassified position authority (see below). With the sale, the remaining 4% from (3)(s) and this position will be eliminated.

**304396** – Indef Agency Appt -s. 20.923 (4) ESG 3/unclassified – position authority is a 1.00 FTE and current HCM funding is 100% from s. 20.485 (3)(s), numeric 363. This position is to receive 85% (2)(u) from eliminated position 077453 (see above) as unclassified position authority and the remaining 15% (2)(u) is to come from position 516827 (see below) as unclassified position authority as well. With the sale this position will remain.

**338492** – Chief Legal Counsel NTE ESG 5/unclassified – position authority is a 1.00 FTE and current HCM funding is 96% from s. 20.485 (3)(s), numeric 363 and 4% from s. 20.485 (1)(gk), numeric 126. This position is to receive 96% (2)(u) from eliminated position 052027 (see above) as unclassified position authority and the remaining 4% (1)(gk) is to stay as allocated. With the sale this position will remain.

**329668** – Veterans Program Specialist Senior - position authority is a 1.00 FTE and current HCM funding is 68% s. 20.485 (1)(gk), numeric 120, 17% s. 20.485 (1)(gk), numeric 124 and 15% s. 20.485 (3)(s), numeric 363. This position is to receive 15% (2)(u) authority from position 516827 (see below) and the remaining authority allocations are to stay the same. With the sale this position will remain.

**516827** – Exec Staff Assistant – position authority is a .50 FTE and current HCM funding is 100% s. 20.485 (2)(u), numeric 261. From this position 15% of (2)(u) is to be transferred to position 304396 as unclassified position authority (see above), and another 15% of (2)(u) is to be transferred to position 329668 (see above) as classified position authority, leaving a .20 FTE of position authority in this position.

This position is not affected by the elimination of Program Three (3) but will be used to reallocate 0.3 FTE being eliminated in appropriation s. 20.485(3)(s), numeric 363 due to this request.

When all above position reallocations and eliminations are completed, appropriation s. 20.485(2)(u), numeric 261 will increase by 1.96 FTE of existing unclassified position authority from s. 20.485(3)(s), numeric 363. All unclassified and classified position authority in s. 20.485(3)(s), numeric 363 will be eliminated. This will result in a net 0.34 reduction in WDVA's authorized statutory position authority.

The position reallocations would also result in an increase to appropriation s. 20.485(2)(u) of \$130,000 in salary and \$67,000 in fringe to support the increase in unclassified position authority to the appropriation.

Additionally, this sale would require the approval of ABC request; *Combine CVSO Grants*, which WDVA has submitted. Currently, the WDVA's \$761,000 for CVSO grants is funded from three programs. Program One (1), Veterans Homes, funds approximately 10% (\$76,200) in numeric appropriation 127, Program Two (2), Loans and Aids to Veterans, funds 45% (\$342,400) under numeric 267 and the remaining 45% (\$342,400) is funded out of Program Three (3), Self-Amortizing Mortgage Loans for Veterans, in numeric 370. In that request, the WDVA is requesting to transfer funding from Programs One (1) and Three (3) and combine with Program Two (2), numeric 267.

This request would allow the grant to be in Program Two (2) which is consistent with all other grant programs.

**If applicable, what current statutes authorize the implementation of the request?**

The Mortgage Loan Program is authorized under Chapter 45, Subchapter III, Veterans Housing Loan Program s. 45.30 through 45.37, Wis. Stats.

**Are statutory changes requested? If so, please include draft language or summarize the intent of any statutory language changes needed.**

The statutory language in s. 20.485, all program (3) appropriations and Chapter 45, Subchapter III, Veterans Housing Loan Program ss. 45.30 through 45.37, Wis. Stats.,

along with corresponding Wisconsin Administrative Code, VA 4.01 through 4.14, Primary Mortgage Loan Program, would need to be eliminated.

**If you are requesting new funding have you reviewed how to minimize the fiscal impact? Please include how. For example, did you explore whether the private sector can do this at a reduced cost?**

This will not require new funding.

**Have other states or political subdivisions implemented this type of program or service? Have the outcomes/results been achieved by the same or similar programs or services in Wisconsin or elsewhere? If so, what are the results?**

This will not be a newly implemented program for the WDVA.

### **Performance Measures**

**How does the system, program or activity align with the agency's mission, strategic plan, and goals?**

The Mortgage Loan Fund was due to become insolvent. Since WHEDA can service their own loans, they are better equipped to manage the remainder of the portfolio. Selling the portfolio to WHEDA was a best practice business decision and helps WDVA be fiscally responsible.

**If you are expanding a current program, please list performance measure(s) for this program. How do the measures show success?**

The WDVA is not expanding the program but eliminating it.

**If this is a new program, how will success be measured and by what metrics?**

This is not a new program.

### **Other Relevant Information**

**Please include any other relevant information you feel is important to judge the value of this request.**

## Gallagher, Michael

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**From:** Stinebrink, Cory R - DOA  
**Sent:** Wednesday, November 14, 2018 1:35 PM  
**To:** Gallagher, Michael  
**Cc:** Johns, Melinda; Dombrowski, Cynthia A - DOA  
**Subject:** RE: BB0020

Mike-

No, it shouldn't. The capital finance director has told me that the sale proceeds from WHEDA have paid-off all bonds issued for the veterans housing loan program. As such, there will be no more debt service due from appropriations related to the veterans housing loan program.

Cory

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**From:** Gallagher, Mike - LEGIS <michael.gallagher@legis.wisconsin.gov>  
**Sent:** Wednesday, November 14, 2018 11:43 AM  
**To:** Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>  
**Cc:** Johns, Melinda L - LEGIS <Melinda.Johns@legis.wisconsin.gov>  
**Subject:** BB0020

Cory, Melinda Johns and I are working on this budget request. It looks like WHEDA has purchased all remaining loans from DVA. However, I am assuming that the state has ongoing debt service related to state debt incurred for this program. Can you confirm that?

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Thanks.

Mike

**Michael P. Gallagher**  
Senior Legislative Attorney  
Wisconsin Legislative Reference Bureau  
(608) 504-5811





TRUCKS!

LRB-0540/?  
MLJ&MPG:./

P1

45

DOA:.....Stinebrink, BB0020 - Program 3 Elimination

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

INSERT

SAW  
X-100  
at 2:00pm

do NOT gen

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**VETERANS**

This bill eliminates the veterans housing loan program from the statutes. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

X 2 SECTION 1. 16.848 (2) (g) of the statutes is amended to read:  
3 16.848 (2) (g) Subsection (1) does not apply to property that is subject to sale  
4 by the department of veterans affairs under s. 45.32 (7), 2017 stats.

History: 2005 a. 25; 2007 a. 20 ss. 113, 114, 9121 (6) (a); 2007 a. 100; 2009 a. 180; 2011 a. 32; 2013 a. 20; 2013 a. 173 s. 33; 2015 a. 230, 357; 2017 a. 59.

X 5 SECTION 2. 18.04 (5) (c) of the statutes is repealed.

X 6 SECTION 3. 18.04 (5) (d) of the statutes is amended to read:

1 18.04 (5) (d) To acquire public debt contracted for any of the purposes under  
2 pars. (a) to (e) and (b). ✓

History: 1973 c. 90 s. 555m (2); 1975 c. 26; 1977 c. 29 s. 1652; 1977 c. 317; 1985 a. 6; 1987 a. 27; 1989 a. 31, 46; 2005 a. 22.

3 SECTION 4. 18.04 (6) (b) of the statutes is amended to read:

4 18.04 (6) (b) The commission may direct that moneys resulting from any public  
5 debt contracted under this section be deposited in the funds or accounts created or  
6 designated by resolution of the commission ~~or established by resolution under s.~~  
7 ~~45.37 (7)~~, including escrow accounts established under refunding escrow agreements ✓  
8 that are authorized by the commission.

History: 1973 c. 90 s. 555m (2); 1975 c. 26; 1977 c. 29 s. 1652; 1977 c. 317; 1985 a. 6; 1987 a. 27; 1989 a. 31, 46; 2005 a. 22.

9 SECTION 5. 18.04 (6) (c) of the statutes is amended to read:

10 18.04 (6) (c) Notwithstanding s. 25.17, moneys deposited or held in funds or  
11 accounts under par. (b) ~~and all other moneys received under s. 45.37 (7) (a) (intro.)~~  
12 may be invested in any obligations, either through cash purchase or exchange, as  
13 specified by resolution of the commission.

History: 1973 c. 90 s. 555m (2); 1975 c. 26; 1977 c. 29 s. 1652; 1977 c. 317; 1985 a. 6; 1987 a. 27; 1989 a. 31, 46; 2005 a. 22.

14 SECTION 6. 20.485 (2) (yn) of the statutes is amended to read:

15 20.485 (2) (yn) *Veterans trust fund loans and expenses*. Biennially, the amounts  
16 in the schedule for the purpose of providing loans under s. 45.42 and for the payment  
17 of expenses and other payments as a consequence of being a mortgagee or owner  
18 under home improvement loans made under s. 45.79 (7) (c), 1997 stats., or under s.  
19 45.351 (2), 1995 stats., s. 45.352, 1971 stats., s. 45.356, 2003 stats., s. 45.80, 1989  
20 stats., and s. 45.42. All moneys received under ~~ss. 45.37 (7) (c) and s. 45.42 (8) (a) and~~ ✓  
21 (b) for the purpose of providing loans under the personal loan program under s. 45.42  
22 shall be credited to this appropriation account. All payments of interest and  
23 repayments of principal for loans made under s. 45.351 (2), 1995 stats., s. 45.352,

1 1971 stats., s. 45.356, 2003 stats., s. 45.79 (7) (c), 1997 stats., s. 45.80, 1989 stats.,  
2 and s. 45.42 shall revert to the veterans trust fund.

**History:** 1971 c. 93, 125, 198, 215; 1973 c. 4, 90; 1973 c. 208 ss. 2, 3, 17; 1973 c. 333 s. 201m; 1973 c. 340; 1975 c. 26, 39, 198, 200, 224; 1977 c. 4, 29, 237; 1977 c. 418 s. 929 (55); 1977 c. 447; 1979 c. 4, 34, 155; 1981 c. 20 ss. 377g to 399, 2202 (55) (a); 1981 c. 93, 237; 1983 a. 27; 1983 a. 333 s. 6; 1985 a. 6, 29; 1987 a. 27, 399; 1989 a. 31; 1991 a. 39, 44, 165, 269; 1993 a. 16, 254, 490; 1995 a. 27, 225; 1997 a. 27; 1999 a. 2; 1999 a. 9 ss. 245m, 498t to 504; 1999 a. 63, 136; 2001 a. 16, 74, 103, 106; 2003 a. 33, 42; 2005 a. 22, 25, 254, 468; 2007 a. 20; 2009 a. 28, 177; 2011 a. 32; 2013 a. 20, 188, 190; 2015 a. 55 ss. 734, 768k to 771n; 2015 a. 383, 385; 2017 a. 59 ss. 412k to 415s, 2265g, 2265h, 9449 (1f); 2017 a. 295, 364.

INSERT  
3-3  
X

3 **SECTION 7.** 20.485 (3) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

4 **SECTION 8.** 20.866 (1) (u) of the statutes is amended to read:

5 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
6 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
7 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
8 20.255 (1) (d), 20.285 (1) (d), (gj), and (je), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
9 (aa), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs), (ct), (ea),  
10 (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko) and (3)  
11 (e) and (fm), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), ~~(3) (t)~~ and (4) (qm),  
12 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
13 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bj), (bL), (bm), (bn),  
14 (bq), (br), (bt), (bu), (bv), (bw), (bx), (cb), (cd), (cf), (ch), (cj), (cq), (cr), (cs), (g), (h), (i),  
15 (kd), and (q) for the payment of principal, interest, premium due, if any, and payment  
16 due, if any, under an agreement or ancillary arrangement entered into under s. 18.06  
17 (8) (a) relating to any public debt contracted under subchs. I and IV of ch. 18.

**History:** 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1 ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16, 103, 109; 2003 a. 33, 64, 91, 129; 2005 a. 1, 22, 25, 102, 300; 2007 a. 5; 2007 a. 20 ss. 582 to 597s, 9121 (6) (a); 2007 a. 226; 2009 a. 28, 361; 2011 a. 13, 32, 158; 2013 a. 20; 2015 a. 55; 2017 a. 58, 59, 185; s. 35.17 correction in (1) (u).

X

18 **SECTION 9.** 20.866 (2) (zn) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

1 SECTION 10. 20.866 (2) (zo) of the statutes is amended to read:

2 20.866 (2) (zo) *Veterans affairs; refunding bonds*. From the funds and accounts  
3 under s. 18.04 (6) (b), a sum sufficient for the department of veterans affairs to fund,  
4 refund, or acquire the whole or any part of public debt as set forth in s. 18.04 (5). The  
5 building commission may contract public debt in an amount not to exceed  
6 \$1,015,000,000 for these purposes, exclusive of any amount issued to fund public  
7 debt contracted under par. ~~(z)(l)~~, 2017 stats. S. 20.866(2)

History: 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1 ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (h); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16, 103, 109; 2003 a. 33, 64, 91, 129; 2005 a. 1, 22, 25, 102, 300; 2007 a. 5; 2007 a. 20 ss. 582 to 597s, 9121 (6) (a); 2007 a. 226; 2009 a. 28, 361; 2011 a. 13, 32, 158; 2013 a. 20; 2015 a. 55; 2017 a. 58, 59, 185; s. 35.17 correction in (1) (u).

8 SECTION 11. 20.867 (4) (q) of the statutes is amended to read:

9 20.867 (4) (q) *Funding in lieu of borrowing*. As a continuing appropriation, all  
10 interest earnings of the capital improvement fund accrued after September 30, 1983,  
11 except interest earnings arising from the investment of proceeds of public debt  
12 contracted under s. 20.866 (2) (zn), 2017 stats., and (zo) on and after March 24, 1985,  
13 to permit funding in lieu of borrowing for the purposes for which the contracting of public debt is authorized under  
14 public debt is authorized under s. 20.866 (2) before March 24, 1985, and under s.  
15 20.866 (2) (s) to (zm) and (zz) on and after March 24, 1985, and under s. 20.866 (2)  
16 (s) to (tz), (ug) to (ut), (uv) to (zm) and (zz) on and after August 9, 1989; and to permit  
17 funding for the purposes for which the contracting of public debt is authorized under  
18 s. 20.866 (2) (u) and (uu), regardless of the borrowing limits under s. 20.866 (2) (u)  
19 and (uu), on and after August 9, 1989. Expenditures from this appropriation for each  
20 purpose under s. 20.866 (2) (s) to (zm) and (zz) may not exceed the net interest  
21 earnings attributable to the corresponding account created under s. 18.08 (1) (b). Net  
22 interest earnings shall be allocated quarterly to accounts created under s. 18.08 (1)

PLAIN

S. 20.866(2)

1 (b), on the basis of the average daily balance of each account during the quarter,  
 2 except that accounts with a negative average daily balance shall not receive any  
 3 interest earnings for that quarter. Balances attributable to accounts created under  
 4 s. 18.08 (1) (b) may temporarily be utilized to support the expenditures of other  
 5 accounts, pending the sale of public debt to provide funds for the program purposes  
 6 of other accounts. Notwithstanding s. 20.866 (2) (s) to (zm) and (zz) or any  
 7 nonstatutory state building program project enumeration, this appropriation may  
 8 be used in lieu of borrowing under s. 20.866 (2) (s) to (zm) and (zz) on and after March  
 9 25, 1985, and in lieu of borrowing under s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to  
 10 (zm) and (zz) on and after August 9, 1989; and may be used regardless of the  
 11 borrowing limits under s. 20.866 (2) (u) and (uu) on and after August 9, 1989.

History: 1971 c. 125; 1973 c. 90 ss. 132 to 140g; 1975 c. 39; 1977 c. 29 ss. 352m to 353m, 1654 (8) (c), 1656 (3); 1977 c. 418; 1979 c. 34 ss. 629 to 631, 677w; 1979 c. 102 s. 4; 1979 c. 176, 177, 221; 1981 c. 1, 20, 93; 1981 c. 314 s. 146; 1981 c. 317; 1983 a. 27; 1983 a. 36 s. 96 (3); 1985 a. 6, 29; 1985 a. 332 s. 253; 1987 a. 27, 399; 1989 a. 31, 46, 219, 359; 1991 a. 32, 39, 269; 1993 a. 16; 1995 a. 27; 1999 a. 9, 167; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28, 361; 2011 a. 32 ss. 574m, 798y to 799r; 2013 a. 20; 2015 a. 55; 2017 a. 59.

12 **SECTION 12.** 20.867 (4) (r) of the statutes is amended to read:

13 20.867 (4) (r) *Interest on veterans obligations.* As a continuing appropriation,  
 14 all interest earnings arising from the investment of proceeds of public debt  
 15 contracted under s. 20.866 (2) (zn), 2017 stats., and (zo) on and after March 24, 1985  
 16 and all amounts transferred under 1985 Wisconsin Act 6, section 27, to permit the  
 17 payment of debt service on the public debt. S. 20.866 (2)

History: 1971 c. 125; 1973 c. 90 ss. 132 to 140g; 1975 c. 39; 1977 c. 29 ss. 352m to 353m, 1654 (8) (c), 1656 (3); 1977 c. 418; 1979 c. 34 ss. 629 to 631, 677w; 1979 c. 102 s. 4; 1979 c. 176, 177, 221; 1981 c. 1, 20, 93; 1981 c. 314 s. 146; 1981 c. 317; 1983 a. 27; 1983 a. 36 s. 96 (3); 1985 a. 6, 29; 1985 a. 332 s. 253; 1987 a. 27, 399; 1989 a. 31, 46, 219, 359; 1991 a. 32, 39, 269; 1993 a. 16; 1995 a. 27; 1999 a. 9, 167; 2001 a. 16; 2003 a. 33; 2005 a. 25; 2007 a. 20; 2009 a. 28, 361; 2011 a. 32 ss. 574m, 798y to 799r; 2013 a. 20; 2015 a. 55; 2017 a. 59.

X 18 **SECTION 13.** 25.17 (1) (xp) of the statutes is repealed.

19 **SECTION 14.** 25.36 (1) of the statutes is amended to read:

20 25.36 (1) Except as provided in sub. (2), all moneys appropriated or transferred  
 21 by law shall constitute the veterans trust fund which shall be used for the lending  
 22 of money to the mortgage loan repayment fund under s. 45.37 (5) (a) 12. and for the

1 veterans programs under ss. 20.485 (2) (m), (tm), (u), and (z), and (5) (mn), (v), (vo),  
 2 and (zm), 45.03 (19), 45.07, 45.20, 45.21, 45.40 (1m), 45.41, 45.42, 45.43, and 45.82  
 3 and administered by the department of veterans affairs, including all moneys  
 4 received from the federal government for the benefit of veterans or their dependents,  
 5 and for the veteran grant jobs pilot program under s. 38.31 administered by the  
 6 technical college system board; all moneys paid as interest on and repayment of loans  
 7 under the post-war rehabilitation fund; soldiers rehabilitation fund, veterans  
 8 housing funds as they existed prior to July 1, 1961; all moneys paid as interest on  
 9 and repayment of loans under this fund; all moneys paid as expenses for, interest on,  
 10 and repayment of veterans trust fund stabilization loans under s. 45.356, 1995 stats.;  
 11 all moneys paid as expenses for, interest on, and repayment of veterans personal  
 12 loans; the net proceeds from the sale of mortgaged properties related to veterans  
 13 personal loans; all mortgages issued with the proceeds of the 1981 veterans home  
 14 loan revenue bond issuance purchased with moneys in the veterans trust fund; all  
 15 moneys received from the state investment board under s. 45.42 (8) (b); all moneys  
 16 received from the veterans mortgage loan repayment fund under s. 45.37 (7) (a) and  
 17 (e); and all gifts of money received by the board of veterans affairs for the purposes  
 18 of this fund.

**History:** 1993 a. 16, 254; 1995 a. 27, 255; 1997 a. 27; 2001 a. 16; 2003 a. 33, 83; 2005 a. 22, 25; 2009 a. 113; 2011 a. 32; 2013 a. 20; 2015 a. 55; 2017 a. 59.

**SECTION 15.** Subchapter III of chapter 45 of the statutes is repealed.

\*\*\*\*NOTE: Among other things, the repeal of subch. III eliminates the veterans mortgage loan repayment fund under s. 45.37 (7). Okay?

**SECTION 16.** 45.03 (15) of the statutes is amended to read:

**45.03 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS.** When a veteran or a member of the veteran's family makes application for deferment of payment of monthly installments and waiver of interest charges on veterans loans made under

[precedes 45.30]

move to page 8

1 this chapter, showing that the ability of the veteran to make payment is materially  
 2 and adversely affected by reason of military service, the department may, with the  
 3 approval of the board, defer payment of monthly installments and waive interest  
 4 charges on veterans loans made under this chapter for the duration of any period of  
 5 service in the armed forces of the United States during a national emergency or in  
 6 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
 7 and the time for payment may be extended for the same period. However, when funds  
 8 estimated to be received in the veterans mortgage loan repayment fund to pay debt  
 9 service on public debt contracted under s. 20.866 (2) (zn) and (zo) are less than the  
 10 funds estimated to be required for the payment of the debt service, the board may  
 11 grant deferral of payments and interest on loans provided under s. 45.37 only when  
 12 so required by federal law.

History: 2005 a. 22, 25, 468; 2007 a. 20 ss. 782m, 783, 9121 (6) (a); 2007 a. 46, 200; 2009 a. 28; 2011 a. 32, 36; 2013 a. 17, 20; 2015 a. 196; 2017 a. 59; 2017 a. 207 s. 5.

13 SECTION 17. 45.03 (15) of the statutes is amended to read:

14 45.03 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS. When a veteran or  
 15 a member of the veteran's family makes application for deferment of payment of  
 16 monthly installments and waiver of interest charges on veterans loans made under  
 17 this chapter, showing that the ability of the veteran to make payment is materially  
 18 and adversely affected by reason of military service, the department may, with the  
 19 approval of the board, defer payment of monthly installments and waive interest  
 20 charges on veterans loans made under this chapter for the duration of any period of  
 21 service in the armed forces of the United States during a national emergency or in  
 22 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
 23 and the time for payment may be extended for the same period. However, when funds  
 24 estimated to be received in the veterans mortgage loan repayment fund to pay debt

**SECTION 17**

*§ 20.866(2)*

1 ~~service on public debt contracted under s. 20.866 (2) (zn), 2017 stats., and (zo) are less~~  
2 ~~than the funds estimated to be required for the payment of the debt service, the board~~  
3 ~~may grant deferral of payments and interest on loans provided under s. 45.37 only~~  
4 ~~when so required by federal law.~~

History: 2005 a. 22, 25, 468; 2007 a. 20 ss. 782m, 783, 9121 (6) (a); 2007 a. 46, 200; 2009 a. 28; 2011 a. 32, 36; 2013 a. 17, 20; 2015 a. 496; 2017 a. 59; 2017 a. 207 s. 5.

5 **SECTION 18.** 45.03 (16) (c) 2. (intro.) of the statutes is amended to read:

6 45.03 (16) (c) 2. (intro.) The department shall declare immediately due and  
7 payable any loan made after July 29, 1979, under a program administered by the  
8 department under s. 45.40 ~~or subch. III~~, if it finds that the loan was granted to an  
9 ineligible person due to any of the following circumstances:

History: 2005 a. 22, 25, 468; 2007 a. 20 ss. 782m, 783, 9121 (6) (a); 2007 a. 46, 200; 2009 a. 28; 2011 a. 32, 36; 2013 a. 17, 20; 2015 a. 196; 2017 a. 59; 2017 a. 207 s. 5.

10 **SECTION 19.** 45.03 (16) (c) 3. (intro.) of the statutes is amended to read:

11 45.03 (16) (c) 3. (intro.) Loan application forms processed by the department  
12 for programs administered under s. 45.40 ~~or subch. III~~ shall do all of the following:

History: 2005 a. 22, 25, 468; 2007 a. 20 ss. 782m, 783, 9121 (6) (a); 2007 a. 46, 200; 2009 a. 28; 2011 a. 32, 36; 2013 a. 17, 20; 2015 a. 196; 2017 a. 59; 2017 a. 207 s. 5.

13 **SECTION 20.** 45.03 (16) (c) 4. of the statutes is amended to read:

14 45.03 (16) (c) 4. The department shall incorporate the payment acceleration  
15 requirements of subd. 2. in all loan documents for programs administered by the  
16 department under s. 45.40 ~~or subch. III~~.

History: 2005 a. 22, 25, 468; 2007 a. 20 ss. 782m, 783, 9121 (6) (a); 2007 a. 46, 200; 2009 a. 28; 2011 a. 32, 36; 2013 a. 17, 20; 2015 a. 196; 2017 a. 59; 2017 a. 207 s. 5.

17 **SECTION 21.** 45.42 (4) of the statutes is amended to read:

18 45.42 (4) The department may execute necessary instruments, collect interest  
19 and principal, compromise indebtedness, sue and be sued, post bonds, and write off  
20 indebtedness that it considers uncollectible. If a loan under this section is secured  
21 by a real estate mortgage, the department may exercise the rights of owners and  
22 mortgagees generally and the rights and powers set forth in s. 45.32, 2017 stats. The

*material moved from page 6*



1 department shall pay all interest and principal repaid on the loan into the veterans  
2 trust fund.

History: 2005 a. 22, 25; 2007 a. 20.

~~INSERT~~  
9-4

3 **SECTION 22.** 45.42 (8) (a) of the statutes is repealed.

4 **SECTION 23.** 70.11 (1) of the statutes is amended to read:

5 **70.11 (1) PROPERTY OF THE STATE.** Property owned by this state except land  
6 contracted to be sold by the state. This exemption shall not apply to land conveyed  
7 after September, 1933, to this state or for its benefit while the grantor or others for  
8 the grantor's benefit are permitted to occupy the land or part thereof in consideration  
9 for the conveyance; nor shall it apply to land devised to the state or for its benefit  
10 while another person is permitted by the will to occupy the land or part thereof. This  
11 exemption shall not apply to any property acquired by the department of veterans  
12 affairs under s. 45.32 (5) and (7), 2017 stats., or to the property of insurers  
13 undergoing rehabilitation or liquidation under ch. 645. Property exempt under this  
14 subsection includes general property owned by the state and leased to a private,  
15 nonprofit corporation that operates an Olympic ice training center, regardless of the  
16 use of the leasehold income.

**History:** 1971 c. 152, 154, 312; 1973 c. 90; 1973 c. 333 s. 201m; 1973 c. 335 s. 13; 1975 c. 39; 1975 c. 94 s. 91 (10); 1975 c. 199; 1977 c. 29 ss. 745m, 1646 (3), 1647 (5), (7); 1977 c. 83 s. 26; 1977 c. 273, 282, 391, 418, 447; 1979 c. 34 s. 2102 (39) (g); 1979 c. 221, 225; 1979 c. 310 s. 12; 1981 c. 20; 1983 a. 27 ss. 1177, 1178, 1179f; 1983 a. 189 s. 329 (16); 1983 a. 201, 327; 1985 a. 26, 29, 316, 332; 1987 a. 10, 27, 395, 399; 1987 a. 403 s. 256; 1989 a. 25, 31, 307; 1991 a. 37, 39, 269; 1993 a. 263, 307, 399, 490; 1995 a. 27 ss. 3344 to 3348m, 9126 (19); 1995 a. 201, 227, 247, 366; 1997 a. 27, 35, 134, 147, 164, 184, 237; 1999 a. 9, 32, 63, 65; 1999 a. 150 ss. 624, 672; 1999 a. 167, 185; 2001 a. 16, 38, 59, 103; 2003 a. 195, 291; 2005 a. 4, 22, 70, 74, 335; 2007 a. 19; 2007 a. 20 ss. 1932 to 1934f, 9121 (6) (a); 2009 a. 28, 152, 155; 2011 a. 7, 10, 32, 208; 2011 a. 260 s. 80; 2013 a. 20, 380; 2015 a. 60, 170; 2017 a. 59, 222.

**Cross-reference:** For other exemptions from property taxation, see s. 1.04, U.S. sites; s. 70.112, specially taxed property; s. 70.42, coal docks; s. 70.421, petroleum; s. 76.23, utilities.

~~X~~ 17 **SECTION 24.** 186.113 (14) (a) of the statutes is repealed.

18 **SECTION 25.** 215.21 (2) of the statutes is amended to read:

1           **215.21 (2)** LENDING AREA. Except for loans made under s. 45.37, 2017 stats., the  
2           lending area of an association is limited to that area within a radius of 100 miles of  
3           the association's office.

**History:** 1971 c. 222; 1973 c. 205, 208; 1975 c. 11, 359; 1975 c. 371 s. 50; 1975 c. 387; 1977 c. 58, 140; 1979 c. 250, 287; 1981 c. 45; 1983 a. 36, 167; 1989 a. 103; 1991 a. 316; 1993 a. 213, 453, 482; 1995 a. 27, 104, 227, 417; 1997 a. 27, 283; 2001 a. 109; 2005 a. 22.

**Cross-reference:** See ss. 138.051 and 138.052 for residential mortgage loans, s. 138.053 for interest adjustment clauses, and ss. 138.055 and 138.056 for variable interest rate clauses.

**Cross-reference:** See s. 706.11 (1) for provision as to priority of mortgages to federal savings and loan associations and the department of veterans affairs.

**Cross-reference:** See also ch. DFI-SL 13 and s. DFI-SL 3.01, Wis. adm. code.

4           **SECTION 26. 234.03 (13m)** of the statutes is amended to read:

5           **234.03 (13m)** To purchase and enter into commitments for the purchase of  
6           veterans housing loans made pursuant to s. 45.37, 2017 stats.

**History:** 1971 c. 287; 1973 c. 208, 333; 1975 c. 221; 1977 c. 418; 1981 c. 349 ss. 12, 32; 1983 a. 27 ss. 1622e to 1622m, 2202 (20); 1983 a. 81; 1983 a. 83 ss. 7, 8, 22; 1983 a. 192; 1985 a. 29 ss. 2242, 3200 (28); 1985 a. 334; 1987 a. 27, 399; 1993 a. 16, 112, 437; 1997 a. 27; 2005 a. 22, 75, 487; 2007 a. 125; 2009 a. 2.

7           **SECTION 27. 234.40 (1)** of the statutes is amended to read:

8           **234.40 (1)** The authority shall issue its negotiable bonds in such principal  
9           amount and length of maturity as to provide sufficient funds for veterans housing  
10          loans to be made pursuant to s. 45.37, 2017 stats.

**History:** 1973 c. 208, 333; 1975 c. 26; 1977 c. 418; 1979 c. 102; 1981 c. 349 s. 32; 1983 a. 27 s. 2202 (20); 1983 a. 81 s. 13; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29 s. 3202 (28); 1985 a. 334; 1993 a. 437; 1997 a. 27; 2005 a. 22, 75, 487; 2007 a. 125; 2009 a. 2.

11          **SECTION 28. 234.40 (3)** of the statutes is amended to read:

12          **234.40 (3)** It is the intent of the legislature that the authority be used to finance  
13          the veterans housing program. ~~Nothing in this chapter shall be construed to~~  
14          ~~supersede the powers vested by subch. III of ch. 45 in the department of veterans~~  
15          ~~affairs for carrying out program responsibilities for which debt has been incurred by~~  
16          the authority.

**History:** 1973 c. 208, 333; 1975 c. 26; 1977 c. 418; 1979 c. 102; 1981 c. 349 s. 32; 1983 a. 27 s. 2202 (20); 1983 a. 81 s. 13; 1983 a. 83 s. 22; 1983 a. 192; 1985 a. 29 s. 3202 (28); 1985 a. 334; 1993 a. 437; 1997 a. 27; 2005 a. 22, 75, 487; 2007 a. 125; 2009 a. 2.

17          **SECTION 29. 234.41 (1)** of the statutes is amended to read:

18          **234.41 (1)** There is established under the jurisdiction of the authority a  
19          veterans housing loan fund. All moneys resulting from the sale of bonds for the

1 purpose of veterans housing pursuant to s. 45.37, 2017 stats., unless credited to the  
2 veterans capital reserve fund, shall be credited to the fund.

History: 1973 c. 208, 333, 336; 1991 a. 39; 2005 a. 22.

3 **SECTION 30.** 234.41 (2) of the statutes is amended to read:

4 234.41 (2) The authority shall use moneys in the fund for the purpose of  
5 purchasing loans representing veterans housing loans pursuant to s. 45.37, 2017  
6 stats. All disbursements of funds under this section for purchasing mortgage loans  
7 shall be made payable to authorized lenders as defined in s. 45.31 (3), 2017 stats.,  
8 and eligible persons as defined in s. 45.31 (5), 2017 stats.

History: 1973 c. 208, 333, 336; 1991 a. 39; 2005 a. 22.

9 **SECTION 31.** 234.43 (2) (c) of the statutes is amended to read:

10 234.43 (2) (c) For repayment of advances from the state made through s. 20.485  
11 (3) (b), 2017 stats. ✓

History: 1973 c. 208; 1975 c. 200; 1979 c. 34; 1991 a. 39.

12 **SECTION 32.** 706.11 (4) of the statutes is amended to read:

13 706.11 (4) Subsection (1) does not apply to a 2nd mortgage assigned to or  
14 executed to the department of veterans affairs under s. 45.80 (4) (a) 1., 1989 stats.,  
15 or s. 45.37 (3), 2017 stats.

History: 1971 c. 164; 1973 c. 208; 1975 c. 358, 409; 1979 c. 110 s. 60 (12); 1989 a. 231; 1991 a. 39, 221; 1993 a. 453; 1995 a. 27, 227; 1997 a. 27, 44; 1999 a. 150 s. 672;  
2001 a. 104; 2007 a. 96.

16 **SECTION 33.** Chapter VA 4 of the administrative code is repealed. ✓

17 (END)

**2019-2020 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0540/P1ins  
MLJ&MPG:...

1           **INSERT 3-3**

2           **SECTION 1.** 20.485 (2) (yo) of the statutes is amended to read:

3           20.485 (2) (yo) *Debt payment.* A sum sufficient for the payment of obligations  
4           incurred for moneys received under s. 45.42 (8) ~~(a) and~~ (b).

**History:** 1971 c. 93, 125, 198, 215; 1973 c. 4, 90; 1973 c. 208 ss. 2, 3, 17; 1973 c. 333 s. 201m; 1973 c. 340; 1975 c. 26, 39, 198, 200, 224; 1977 c. 4, 29, 237; 1977 c. 418 s. 929 (55); 1977 c. 447; 1979 c. 4, 34, 155; 1981 c. 20 ss. 377g to 399, 2202 (55) (a); 1981 c. 93, 237; 1983 a. 27; 1983 a. 333 s. 6; 1985 a. 6, 29; 1987 a. 27, 399; 1989 a. 31; 1991 a. 39, 44, 165, 269; 1993 a. 16, 254, 490; 1995 a. 27, 225; 1997 a. 27; 1999 a. 2; 1999 a. 9 ss. 245m, 498t to 504; 1999 a. 63, 136; 2001 a. 16, 74, 103, 106; 2003 a. 33, 42; 2005 a. 22, 25, 254, 468; 2007 a. 20; 2009 a. 28, 177; 2011 a. 32; 2013 a. 20, 188, 190; 2015 a. 55 ss. 734, 768k to 771n; 2015 a. 383, 385; 2017 a. 59 ss. 412k to 415s, 2265g, 2265h, 9449 (1f); 2017 a. 295, 364.

5

6           **INSERT 9-4**

7           **SECTION 2.** 45.57 of the statutes is amended to read:

8           **45.57 Veterans homes; transfer of funding.** The department may transfer  
9           all or part of the unencumbered balance of any of the appropriations under s. 20.485  
10           (1) (g), (gd), (gk), or (i) to the veterans trust fund ~~or to the veterans mortgage loan~~  
11           ~~repayment fund.~~

**History:** 2013 a. 20; s. 13.92 (1) (bm) 2.

## Gallagher, Michael

---

**From:** Stinebrink, Cory R - DOA  
**Sent:** Sunday, February 17, 2019 12:43 PM  
**To:** Gallagher, Michael; Johns, Melinda  
**Subject:** RE: 0540/P1

Have assets transferred to the veterans trust fund.

Thanks,  
Cory

---

**From:** Gallagher, Mike - LEGIS <michael.gallagher@legis.wisconsin.gov>  
**Sent:** Sunday, February 17, 2019 12:40 PM  
**To:** Johns, Melinda L - LEGIS <Melinda.Johns@legis.wisconsin.gov>; Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>  
**Subject:** RE: 0540/P1

Melinda, while it is true that unencumbered balances in a repealed appropriation lapse to the appropriate fund, we do need to include transfer language here because we are eliminating a segregated fund. I missed that in the first draft. Cory, to which fund do you want the fund assets transferred—general fund or a specific segregated fund? Let us know and we will include a nonstat transfer provision in a redraft.

Mike

---

**From:** Johns, Melinda <Melinda.Johns@legis.wisconsin.gov>  
**Sent:** Sunday, February 17, 2019 12:29 PM  
**To:** Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>; Gallagher, Michael <Michael.Gallagher@legis.wisconsin.gov>  
**Subject:** RE: 0540/P1

Hi Cory,

The repeal of program 3 repeals all the underlying appropriations within program 3. As for the note, I'm not sure whether there would need to be any language to transfer the assets anywhere else; I believe that the repeal would just cause the moneys to lapse back to whatever fund they were originally in – I have CC'd Mike Gallagher on this email as he is a bit more well versed in these things.– Mike, can you weigh in on that?

Best,

Melinda

**Melinda L. Johns**  
Legislative Attorney  
Wisconsin Legislative Reference Bureau  
P.O. Box 2037  
Madison, WI 53701-2037  
(608) 504-5855

**From:** Stinebrink, Cory R - DOA <[Cory.Stinebrink@wisconsin.gov](mailto:Cory.Stinebrink@wisconsin.gov)>  
**Sent:** Sunday, February 17, 2019 12:08 PM  
**To:** Johns, Melinda <[Melinda.Johns@legis.wisconsin.gov](mailto:Melinda.Johns@legis.wisconsin.gov)>  
**Subject:** 0540/P1

Melinda-

On LRB-0540/P1, I wanted to clarify something and respond to a drafter's note.

First, this repeals the entirety of Program 3 under 20.485. Because I am not an attorney, I just wanted to be sure that this also repeals all of the underlying appropriations in Program 3.

Also, there is a note relating to Section 20 of the draft: "\*\*\*\*NOTE: Among other things, the repeal of subch. III eliminates the veterans mortgage loan repayment fund under s. 45.37 (7). Okay?" Yes, this is OK. There should no longer be any revenue to the fund, and I am clearing out any expenditure authority from the fund. Would we need to have any language to transfer any assets and liabilities to somewhere else? Like the veterans trust fund?

Thanks,

Cory R Stinebrink  
Executive Policy and Budget Analyst  
Health Services and Insurance Team  
(608)267-9546  
[Cory.Stinebrink@wisconsin.gov](mailto:Cory.Stinebrink@wisconsin.gov)



IN: 2/17

DOA:.....Stinebrink, BB0020 - Program 3 Elimination

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

Insert

170

296 30

Elimination of the veterans housing loan program

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**VETERANS**

This bill eliminates the veterans housing loan program from the statutes. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 16.848 (2) (g) of the statutes is amended to read:

3 16.848 (2) (g) Subsection (1) does not apply to property that is subject to sale  
4 by the department of veterans affairs under s. 45.32 (7), 2017 stats.

5 SECTION 2. 18.04 (5) (c) of the statutes is repealed.

6 SECTION 3. 18.04 (5) (d) of the statutes is amended to read:

7 18.04 (5) (d) To acquire public debt contracted for any of the purposes under  
8 pars. (a) to (e) and (b).

FE-S

1           **SECTION 4.** 18.04 (6) (b) of the statutes is amended to read:

2           18.04 **(6)** (b) The commission may direct that moneys resulting from any public  
3 debt contracted under this section be deposited in the funds or accounts created or  
4 designated by resolution of the commission ~~or established by resolution under s.~~  
5 ~~45.37 (7)~~, including escrow accounts established under refunding escrow agreements  
6 that are authorized by the commission.

7           **SECTION 5.** 18.04 (6) (c) of the statutes is amended to read:

8           18.04 **(6)** (c) Notwithstanding s. 25.17, moneys deposited or held in funds or  
9 accounts under par. (b) ~~and all other moneys received under s. 45.37 (7) (a) (intro.)~~  
10 may be invested in any obligations, either through cash purchase or exchange, as  
11 specified by resolution of the commission.

12           **SECTION 6.** 20.485 (2) (yn) of the statutes is amended to read:

13           20.485 **(2)** (yn) *Veterans trust fund loans and expenses.* Biennially, the amounts  
14 in the schedule for the purpose of providing loans under s. 45.42 and for the payment  
15 of expenses and other payments as a consequence of being a mortgagee or owner  
16 under home improvement loans made under s. 45.79 (7) (c), 1997 stats., or under s.  
17 45.351 (2), 1995 stats., s. 45.352, 1971 stats., s. 45.356, 2003 stats., s. 45.80, 1989  
18 stats., and s. 45.42. All moneys received under ~~ss. 45.37 (7) (e) and s. 45.42 (8) (a) and~~  
19 ~~(b)~~ for the purpose of providing loans under the personal loan program under s. 45.42  
20 shall be credited to this appropriation account. All payments of interest and  
21 repayments of principal for loans made under s. 45.351 (2), 1995 stats., s. 45.352,  
22 1971 stats., s. 45.356, 2003 stats., s. 45.79 (7) (c), 1997 stats., s. 45.80, 1989 stats.,  
23 and s. 45.42 shall revert to the veterans trust fund.

24           **SECTION 7.** 20.485 (2) (yo) of the statutes is amended to read:



1           20.485 (2) (yo) *Debt payment*. A sum sufficient for the payment of obligations  
2 incurred for moneys received under s. 45.42 (8) ~~(a) and (b)~~.

3           **SECTION 8.** 20.485 (3) of the statutes is repealed.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

4           **SECTION 9.** 20.866 (1) (u) of the statutes is amended to read:

5           20.866 (1) (u) *Principal repayment and interest*. A sum sufficient from moneys  
6 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
7 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
8 20.255 (1) (d), 20.285 (1) (d), (gj), and (je), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
9 (aa), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs), (ct), (ea),  
10 (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko) and (3)  
11 (e) and (fm), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and (go), ~~(3) (t)~~ and (4) (qm),  
12 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
13 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bj), (bL), (bm), (bn),  
14 (bq), (br), (bt), (bu), (bv), (bw), (bx), (cb), (cd), (cf), (ch), (cj), (cq), (cr), (cs), (g), (h), (i),  
15 (kd), and (q) for the payment of principal, interest, premium due, if any, and payment  
16 due, if any, under an agreement or ancillary arrangement entered into under s. 18.06  
17 (8) (a) relating to any public debt contracted under subchs. I and IV of ch. 18.

18           **SECTION 10.** 20.866 (2) (zn) of the statutes is repealed.

      \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

19           **SECTION 11.** 20.866 (2) (zo) of the statutes is amended to read:

20           20.866 (2) (zo) *Veterans affairs; refunding bonds*. From the funds and accounts  
21 under s. 18.04 (6) (b), a sum sufficient for the department of veterans affairs to fund,  
22 refund, or acquire the whole or any part of public debt as set forth in s. 18.04 (5). The

1 building commission may contract public debt in an amount not to exceed  
2 \$1,015,000,000 for these purposes, exclusive of any amount issued to fund public  
3 debt contracted under par. s. 20.866 (2) (zn), 2017 stats.

4 **SECTION 12.** 20.867 (4) (q) of the statutes is amended to read:

5 20.867 (4) (q) *Funding in lieu of borrowing.* As a continuing appropriation, all  
6 interest earnings of the capital improvement fund accrued after September 30, 1983,  
7 except interest earnings arising from the investment of proceeds of public debt  
8 contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after  
9 March 24, 1985, to permit funding in lieu of borrowing for the purposes for which the  
10 contracting of public debt is authorized under s. 20.866 (2) before March 24, 1985,  
11 and under s. 20.866 (2) (s) to (zm) and (zz) on and after March 24, 1985, and under  
12 s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to (zm) and (zz) on and after August 9, 1989;  
13 and to permit funding for the purposes for which the contracting of public debt is  
14 authorized under s. 20.866 (2) (u) and (uu), regardless of the borrowing limits under  
15 s. 20.866 (2) (u) and (uu), on and after August 9, 1989. Expenditures from this  
16 appropriation for each purpose under s. 20.866 (2) (s) to (zm) and (zz) may not exceed  
17 the net interest earnings attributable to the corresponding account created under s.  
18 18.08 (1) (b). Net interest earnings shall be allocated quarterly to accounts created  
19 under s. 18.08 (1) (b), on the basis of the average daily balance of each account during  
20 the quarter, except that accounts with a negative average daily balance shall not  
21 receive any interest earnings for that quarter. Balances attributable to accounts  
22 created under s. 18.08 (1) (b) may temporarily be utilized to support the expenditures  
23 of other accounts, pending the sale of public debt to provide funds for the program  
24 purposes of other accounts. Notwithstanding s. 20.866 (2) (s) to (zm) and (zz) or any  
25 nonstatutory state building program project enumeration, this appropriation may

1 be used in lieu of borrowing under s. 20.866 (2) (s) to (zm) and (zz) on and after March  
2 25, 1985, and in lieu of borrowing under s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to  
3 (zm) and (zz) on and after August 9, 1989; and may be used regardless of the  
4 borrowing limits under s. 20.866 (2) (u) and (uu) on and after August 9, 1989.

5 **SECTION 13.** 20.867 (4) (r) of the statutes is amended to read:

6 20.867 (4) (r) *Interest on veterans obligations.* As a continuing appropriation,  
7 all interest earnings arising from the investment of proceeds of public debt  
8 contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after  
9 March 24, 1985 and all amounts transferred under 1985 Wisconsin Act 6, section 27,  
10 to permit the payment of debt service on the public debt.

11 **SECTION 14.** 25.17 (1) (xp) of the statutes is repealed.

12 **SECTION 15.** 25.36 (1) of the statutes is amended to read:

13 25.36 (1) Except as provided in sub. (2), all moneys appropriated or transferred  
14 by law shall constitute the veterans trust fund which shall be used for the lending  
15 ~~of money to the mortgage loan repayment fund under s. 45.37 (5) (a) 12. and for the~~  
16 veterans programs under ss. 20.485 (2) (m), (tm), (u), and (z), and (5) (mn), (v), (vo),  
17 and (zm), 45.03 (19), 45.07, 45.20, 45.21, 45.40 (1m), 45.41, 45.42, 45.43, and 45.82  
18 and administered by the department of veterans affairs, including all moneys  
19 received from the federal government for the benefit of veterans or their dependents,  
20 and for the veteran grant jobs pilot program under s. 38.31 administered by the  
21 technical college system board; all moneys paid as interest on and repayment of loans  
22 under the post-war rehabilitation fund; soldiers rehabilitation fund, veterans  
23 housing funds as they existed prior to July 1, 1961; all moneys paid as interest on  
24 and repayment of loans under this fund; all moneys paid as expenses for, interest on,  
25 and repayment of veterans trust fund stabilization loans under s. 45.356, 1995 stats.;

1 all moneys paid as expenses for, interest on, and repayment of veterans personal  
2 loans; the net proceeds from the sale of mortgaged properties related to veterans  
3 personal loans; all mortgages issued with the proceeds of the 1981 veterans home  
4 loan revenue bond issuance purchased with moneys in the veterans trust fund; all  
5 moneys received from the state investment board under s. 45.42 (8) (b); all moneys  
6 received from the veterans mortgage loan repayment fund under s. 45.37 (7) (a) and  
7 (e); and all gifts of money received by the board of veterans affairs for the purposes  
8 of this fund.

9 **SECTION 16.** 45.03 (15) of the statutes is amended to read:

10 **45.03 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS.** When a veteran or  
11 a member of the veteran's family makes application for deferment of payment of  
12 monthly installments and waiver of interest charges on veterans loans made under  
13 this chapter, showing that the ability of the veteran to make payment is materially  
14 and adversely affected by reason of military service, the department may, with the  
15 approval of the board, defer payment of monthly installments and waive interest  
16 charges on veterans loans made under this chapter for the duration of any period of  
17 service in the armed forces of the United States during a national emergency or in  
18 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
19 and the time for payment may be extended for the same period. However, when funds  
20 estimated to be received in the veterans mortgage loan repayment fund to pay debt  
21 service on public debt contracted under s. 20.866 (2) (zn) and (zo) are less than the  
22 funds estimated to be required for the payment of the debt service, the board may  
23 grant deferral of payments and interest on loans provided under s. 45.37 only when  
24 so required by federal law.

25 **SECTION 17.** 45.03 (16) (c) 2. (intro.) of the statutes is amended to read:

1           45.03 (16) (c) 2. (intro.) The department shall declare immediately due and  
2 payable any loan made after July 29, 1979, under a program administered by the  
3 department under s. 45.40 ~~or subch. III~~, if it finds that the loan was granted to an  
4 ineligible person due to any of the following circumstances:

5           **SECTION 18.** 45.03 (16) (c) 3. (intro.) of the statutes is amended to read:

6           45.03 (16) (c) 3. (intro.) Loan application forms processed by the department  
7 for programs administered under s. 45.40 ~~or subch. III~~ shall do all of the following:

8           **SECTION 19.** 45.03 (16) (c) 4. of the statutes is amended to read:

9           45.03 (16) (c) 4. The department shall incorporate the payment acceleration  
10 requirements of subd. 2. in all loan documents for programs administered by the  
11 department under s. 45.40 ~~or subch. III~~.

12           **SECTION 20.** Subchapter III of chapter 45 [precedes 45.30] of the statutes is  
13 repealed.

\*\*\*\*NOTE: Among other things, the repeal of subch. III eliminates the veterans  
mortgage loan repayment fund under s. 45.37 (7). Okay?

14           **SECTION 21.** 45.42 (4) of the statutes is amended to read:

15           45.42 (4) The department may execute necessary instruments, collect interest  
16 and principal, compromise indebtedness, sue and be sued, post bonds, and write off  
17 indebtedness that it considers uncollectible. If a loan under this section is secured  
18 by a real estate mortgage, the department may exercise the rights of owners and  
19 mortgagees generally and the rights and powers set forth in s. 45.32, 2017 stats. The  
20 department shall pay all interest and principal repaid on the loan into the veterans  
21 trust fund.

22           **SECTION 22.** 45.42 (8) (a) of the statutes is repealed.

23           **SECTION 23.** 45.57 of the statutes is amended to read:

1           **45.57 Veterans homes; transfer of funding.** The department may transfer  
2 all or part of the unencumbered balance of any of the appropriations under s. 20.485  
3 (1) (g), (gd), (gk), or (i) to the veterans trust fund ~~or to the veterans mortgage loan~~  
4 repayment fund.

5           **SECTION 24.** 70.11 (1) of the statutes is amended to read:

6           **70.11 (1) PROPERTY OF THE STATE.** Property owned by this state except land  
7 contracted to be sold by the state. This exemption shall not apply to land conveyed  
8 after September, 1933, to this state or for its benefit while the grantor or others for  
9 the grantor's benefit are permitted to occupy the land or part thereof in consideration  
10 for the conveyance; nor shall it apply to land devised to the state or for its benefit  
11 while another person is permitted by the will to occupy the land or part thereof. This  
12 exemption shall not apply to any property acquired by the department of veterans  
13 affairs under s. 45.32 (5) and (7), 2017 stats., or to the property of insurers  
14 undergoing rehabilitation or liquidation under ch. 645. Property exempt under this  
15 subsection includes general property owned by the state and leased to a private,  
16 nonprofit corporation that operates an Olympic ice training center, regardless of the  
17 use of the leasehold income.

18           **SECTION 25.** 186.113 (14) (a) of the statutes is repealed.

19           **SECTION 26.** 215.21 (2) of the statutes is amended to read:

20           **215.21 (2) LENDING AREA.** Except for loans made under s. 45.37, 2017 stats., the  
21 lending area of an association is limited to that area within a radius of 100 miles of  
22 the association's office.

23           **SECTION 27.** 234.03 (13m) of the statutes is amended to read:

24           **234.03 (13m)** To purchase and enter into commitments for the purchase of  
25 veterans housing loans made pursuant to s. 45.37, 2017 stats.

1           **SECTION 28.** 234.40 (1) of the statutes is amended to read:

2           234.40 (1) The authority shall issue its negotiable bonds in such principal  
3 amount and length of maturity as to provide sufficient funds for veterans housing  
4 loans to be made pursuant to s. 45.37, 2017 stats.

5           **SECTION 29.** 234.40 (3) of the statutes is amended to read:

6           234.40 (3) It is the intent of the legislature that the authority be used to finance  
7 the veterans housing program. ~~Nothing in this chapter shall be construed to~~  
8 ~~supersede the powers vested by subch. III of ch. 45 in the department of veterans~~  
9 ~~affairs for carrying out program responsibilities for which debt has been incurred by~~  
10 ~~the authority.~~

11           **SECTION 30.** 234.41 (1) of the statutes is amended to read:

12           234.41 (1) There is established under the jurisdiction of the authority a  
13 veterans housing loan fund. All moneys resulting from the sale of bonds for the  
14 purpose of veterans housing pursuant to s. 45.37, 2017 stats., unless credited to the  
15 veterans capital reserve fund, shall be credited to the fund.

16           **SECTION 31.** 234.41 (2) of the statutes is amended to read:

17           234.41 (2) The authority shall use moneys in the fund for the purpose of  
18 purchasing loans representing veterans housing loans pursuant to s. 45.37, 2017  
19 stats. All disbursements of funds under this section for purchasing mortgage loans  
20 shall be made payable to authorized lenders as defined in s. 45.31 (3), 2017 stats.,  
21 and eligible persons as defined in s. 45.31 (5), 2017 stats.

22           **SECTION 32.** 234.43 (2) (c) of the statutes is amended to read:

23           234.43 (2) (c) For repayment of advances from the state made through s. 20.485  
24 (3) (b), 2017 stats.;

25           **SECTION 33.** 706.11 (4) of the statutes is amended to read:

1           706.11 (4) Subsection (1) does not apply to a 2nd mortgage assigned to or  
2           executed to the department of veterans affairs under s. 45.80 (4) (a) 1., 1989 stats.,  
3           or s. 45.37 (3), 2017 stats.

4           **SECTION 34.** Chapter VA 4 of the administrative code is repealed.

5

(END)



Insert 10-4



2019-2020 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0540/P2ins  
MPG:...

INSERT 10-4

1            **SECTION 9148. Nonstatutory provisions; Veterans Affairs.**

2            <sup>#</sup>(1) ELIMINATION OF THE VETERANS MORTGAGE LOAN REPAYMENT FUND. On the  
3 effective date of this subsection, the assets and liabilities of the veterans mortgage  
4 loan repayment fund become the assets and liabilities of the veterans trust fund.

END INSERT 10-4



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-0540/P2  
MLJ&MPG:cjs  
*[Handwritten initials]*

DOA:.....Stinebrink, BB0020 - Program 3 Elimination

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

*SA -  
RW -*

1 **AN ACT ...; relating to:** the budget.

---

*Analysis by the Legislative Reference Bureau*

**VETERANS**

**1. Elimination of the veterans housing loan program**

This bill eliminates the veterans housing loan program. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2 **SECTION 1.** 16.848 (2) (g) of the statutes is amended to read:

3 16.848 (2) (g) Subsection (1) does not apply to property that is subject to sale

4 by the department of veterans affairs under s. 45.32 (7), 2017 stats.

5 **SECTION 2.** 18.04 (5) (c) of the statutes is repealed.

1           **SECTION 3.** 18.04 (5) (d) of the statutes is amended to read:

2           18.04 (5) (d) To acquire public debt contracted for any of the purposes under  
3           pars. (a) ~~to (e)~~ and (b).

4           **SECTION 4.** 18.04 (6) (b) of the statutes is amended to read:

5           18.04 (6) (b) The commission may direct that moneys resulting from any public  
6           debt contracted under this section be deposited in the funds or accounts created or  
7           designated by resolution of the commission ~~or established by resolution under s.~~  
8           ~~45.37 (7)~~, including escrow accounts established under refunding escrow agreements  
9           that are authorized by the commission.

10          **SECTION 5.** 18.04 (6) (c) of the statutes is amended to read:

11          18.04 (6) (c) Notwithstanding s. 25.17, moneys deposited or held in funds or  
12          accounts under par. (b) ~~and all other moneys received under s. 45.37 (7) (a) (intro.)~~  
13          may be invested in any obligations, either through cash purchase or exchange, as  
14          specified by resolution of the commission.

15          **SECTION 6.** 20.485 (2) (yn) of the statutes is amended to read:

16          20.485 (2) (yn) *Veterans trust fund loans and expenses.* Biennially, the amounts  
17          in the schedule for the purpose of providing loans under s. 45.42 and for the payment  
18          of expenses and other payments as a consequence of being a mortgagee or owner  
19          under home improvement loans made under s. 45.79 (7) (c), 1997 stats., or under s.  
20          45.351 (2), 1995 stats., s. 45.352, 1971 stats., s. 45.356, 2003 stats., s. 45.80, 1989  
21          stats., and s. 45.42. All moneys received under ~~ss. 45.37 (7) (e) and s. 45.42 (8) (a) and~~  
22          (b) for the purpose of providing loans under the personal loan program under s. 45.42  
23          shall be credited to this appropriation account. All payments of interest and  
24          repayments of principal for loans made under s. 45.351 (2), 1995 stats., s. 45.352,

1 1971 stats., s. 45.356, 2003 stats., s. 45.79 (7) (c), 1997 stats., s. 45.80, 1989 stats.,  
2 and s. 45.42 shall revert to the veterans trust fund.

3 **SECTION 7.** 20.485 (2) (yo) of the statutes is amended to read:

4 20.485 (2) (yo) *Debt payment.* A sum sufficient for the payment of obligations  
5 incurred for moneys received under s. 45.42 (8) (a) and (b).

6 **SECTION 8.** 20.485 (3) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 9.** 20.866 (1) (u) of the statutes is amended to read:

8 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
9 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
10 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
11 20.255 (1) (d), 20.285 (1) (d), (gj), and (je), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
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15 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
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19 due, if any, under an agreement or ancillary arrangement entered into under s. 18.06  
20 (8) (a) relating to any public debt contracted under subchs. I and IV of ch. 18.

21 **SECTION 10.** 20.866 (2) (zn) of the statutes is repealed.

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1           20.866 (2) (zo) *Veterans affairs; refunding bonds*. From the funds and accounts  
2 under s. 18.04 (6) (b), a sum sufficient for the department of veterans affairs to fund,  
3 refund, or acquire the whole or any part of public debt as set forth in s. 18.04 (5). The  
4 building commission may contract public debt in an amount not to exceed  
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8           20.867 (4) (q) *Funding in lieu of borrowing*. As a continuing appropriation, all  
9 interest earnings of the capital improvement fund accrued after September 30, 1983,  
10 except interest earnings arising from the investment of proceeds of public debt  
11 contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after  
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14 and under s. 20.866 (2) (s) to (zm) and (zz) on and after March 24, 1985, and under  
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16 and to permit funding for the purposes for which the contracting of public debt is  
17 authorized under s. 20.866 (2) (u) and (uu), regardless of the borrowing limits under  
18 s. 20.866 (2) (u) and (uu), on and after August 9, 1989. Expenditures from this  
19 appropriation for each purpose under s. 20.866 (2) (s) to (zm) and (zz) may not exceed  
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3 and repayment of veterans trust fund stabilization loans under s. 45.356, 1995 stats.;;  
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11 of this fund.

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16 this chapter, showing that the ability of the veteran to make payment is materially  
17 and adversely affected by reason of military service, the department may, with the  
18 approval of the board, defer payment of monthly installments and waive interest  
19 charges on veterans loans made under this chapter for the duration of any period of  
20 service in the armed forces of the United States during a national emergency or in  
21 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
22 and the time for payment may be extended for the same period. ~~However, when funds~~  
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14 department under s. 45.40 ~~or subch. III~~.

15 **SECTION 20.** Subchapter III of chapter 45 [precedes 45.30] of the statutes is  
16 repealed.

\*\*\*\*NOTE: Among other things, the repeal of subch. III eliminates the veterans  
mortgage loan repayment fund under s. 45.37 (7). Okay?

17 **SECTION 21.** 45.42 (4) of the statutes is amended to read:

18 45.42 (4) The department may execute necessary instruments, collect interest  
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3 **SECTION 22.** 45.42 (8) (a) of the statutes is repealed.

*SECTION #. 45.42(8)(a) of the statutes is renumbered 45.42(8).*

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5 **45.57 Veterans homes; transfer of funding.** The department may transfer  
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7 (1) (g), (gd), (gk), or (i) to the veterans trust fund or to the veterans mortgage loan  
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*writing of any balance transferred under this section.*

9 **SECTION 24.** 70.11 (1) of the statutes is amended to read:

10 **70.11 (1) PROPERTY OF THE STATE.** Property owned by this state except land  
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12 after September, 1933, to this state or for its benefit while the grantor or others for  
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14 for the conveyance; nor shall it apply to land devised to the state or for its benefit  
15 while another person is permitted by the will to occupy the land or part thereof. This  
16 exemption shall not apply to any property acquired by the department of veterans  
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18 undergoing rehabilitation or liquidation under ch. 645. Property exempt under this  
19 subsection includes general property owned by the state and leased to a private,  
20 nonprofit corporation that operates an Olympic ice training center, regardless of the  
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12          234.40 (3) It is the intent of the legislature that the authority be used to finance  
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14          ~~supersede the powers vested by subch. III of ch. 45 in the department of veterans~~  
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17          **SECTION 30.** 234.41 (1) of the statutes is amended to read:

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22          **SECTION 31.** 234.41 (2) of the statutes is amended to read:

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1 shall be made payable to authorized lenders as defined in s. 45.31 (3), 2017 stats.,  
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4 234.43 (2) (c) For repayment of advances from the state made through s. 20.485  
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6 **SECTION 33.** 706.11 (4) of the statutes is amended to read:

7 706.11 (4) Subsection (1) does not apply to a 2nd mortgage assigned to or  
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9 or s. 45.37 (3), 2017 stats.

10 **SECTION 34.** Chapter VA 4 of the administrative code is repealed.

11 **SECTION 9148. Nonstatutory provisions; Veterans Affairs.**

12 (1) ELIMINATION OF THE VETERANS MORTGAGE LOAN REPAYMENT FUND. On the  
13 effective date of this subsection, the assets and liabilities of the veterans mortgage  
14 loan repayment fund become the assets and liabilities of the veterans trust fund.

15 (END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-0540/P3  
MLJ&MPG:cjs&amn

DOA:.....Stinebrink, BB0020 - Program 3 Elimination

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**VETERANS**

**1. Elimination of the veterans housing loan program**

This bill eliminates the veterans housing loan program. Under current law, DVA has authority to issue and service loans to veterans for certain housing related purposes.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 **SECTION 1.** 16.848 (2) (g) of the statutes is amended to read:

3 16.848 (2) (g) Subsection (1) does not apply to property that is subject to sale  
4 by the department of veterans affairs under s. 45.32 (7), 2017 stats.

5 **SECTION 2.** 18.04 (5) (c) of the statutes is repealed.

1           **SECTION 3.** 18.04 (5) (d) of the statutes is amended to read:

2           18.04 (5) (d) To acquire public debt contracted for any of the purposes under  
3           pars. (a) ~~to (c)~~ and (b).

4           **SECTION 4.** 18.04 (6) (b) of the statutes is amended to read:

5           18.04 (6) (b) The commission may direct that moneys resulting from any public  
6           debt contracted under this section be deposited in the funds or accounts created or  
7           designated by resolution of the commission ~~or established by resolution under s.~~  
8           ~~45.37 (7)~~, including escrow accounts established under refunding escrow agreements  
9           that are authorized by the commission.

10          **SECTION 5.** 18.04 (6) (c) of the statutes is amended to read:

11          18.04 (6) (c) Notwithstanding s. 25.17, moneys deposited or held in funds or  
12          accounts under par. (b) ~~and all other moneys received under s. 45.37 (7) (a) (intro.)~~  
13          may be invested in any obligations, either through cash purchase or exchange, as  
14          specified by resolution of the commission.

15          **SECTION 6.** 20.485 (2) (yn) of the statutes is amended to read:

16          20.485 (2) (yn) *Veterans trust fund loans and expenses.* Biennially, the amounts  
17          in the schedule for the purpose of providing loans under s. 45.42 and for the payment  
18          of expenses and other payments as a consequence of being a mortgagee or owner  
19          under home improvement loans made under s. 45.79 (7) (c), 1997 stats., or under s.  
20          45.351 (2), 1995 stats., s. 45.352, 1971 stats., s. 45.356, 2003 stats., s. 45.80, 1989  
21          stats., and s. 45.42. All moneys received under ~~ss. 45.37 (7) (e) and s. 45.42 (8) (a) and~~  
22          (b) for the purpose of providing loans under the personal loan program under s. 45.42  
23          shall be credited to this appropriation account. All payments of interest and  
24          repayments of principal for loans made under s. 45.351 (2), 1995 stats., s. 45.352,

1 1971 stats., s. 45.356, 2003 stats., s. 45.79 (7) (c), 1997 stats., s. 45.80, 1989 stats.,  
2 and s. 45.42 shall revert to the veterans trust fund.

3 **SECTION 7.** 20.485 (2) (yo) of the statutes is amended to read:

4 20.485 (2) (yo) *Debt payment.* A sum sufficient for the payment of obligations  
5 incurred for moneys received under s. 45.42 (8) ~~(a)~~ and (b).

6 **SECTION 8.** 20.485 (3) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

7 **SECTION 9.** 20.866 (1) (u) of the statutes is amended to read:

8 20.866 (1) (u) *Principal repayment and interest.* A sum sufficient from moneys  
9 appropriated under sub. (2) (zp) and ss. 20.115 (2) (d) and (7) (b) and (s), 20.190 (1)  
10 (c), (d), (i), and (j), 20.225 (1) (c) and (i), 20.245 (1) (e) and (j), 20.250 (1) (c) and (e),  
11 20.255 (1) (d), 20.285 (1) (d), (gj), and (je), 20.320 (1) (c) and (t) and (2) (c), 20.370 (7)  
12 (aa), (ad), (ag), (aq), (ar), (at), (au), (bq), (br), (cb), (cc), (cd), (cg), (cq), (cr), (cs), (ct), (ea),  
13 (eq), and (er), 20.395 (6) (af), (aq), (ar), and (au), 20.410 (1) (e), (ec), and (ko) and (3)  
14 (e) and (fm), 20.435 (2) (ee), 20.465 (1) (d), 20.485 (1) (f) and ~~(go), (3) (t)~~ and (4) (qm),  
15 20.505 (4) (es), (et), (ha), and (hb) and (5) (c), (g), and (kc), 20.855 (8) (a), and 20.867  
16 (1) (a) and (b) and (3) (a), (b), (bb), (bc), (bd), (be), (bf), (bg), (bh), (bj), (bL), (bm), (bn),  
17 (bq), (br), (bt), (bu), (bv), (bw), (bx), (cb), (cd), (cf), (ch), (cj), (cq), (cr), (cs), (g), (h), (i),  
18 (kd), and (q) for the payment of principal, interest, premium due, if any, and payment  
19 due, if any, under an agreement or ancillary arrangement entered into under s. 18.06  
20 (8) (a) relating to any public debt contracted under subchs. I and IV of ch. 18.

21 **SECTION 10.** 20.866 (2) (zn) of the statutes is repealed.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

22 **SECTION 11.** 20.866 (2) (zo) of the statutes is amended to read:

1           20.866 (2) (zo) *Veterans affairs; refunding bonds*. From the funds and accounts  
2 under s. 18.04 (6) (b), a sum sufficient for the department of veterans affairs to fund,  
3 refund, or acquire the whole or any part of public debt as set forth in s. 18.04 (5). The  
4 building commission may contract public debt in an amount not to exceed  
5 \$1,015,000,000 for these purposes, exclusive of any amount issued to fund public  
6 debt contracted under ~~par. s. 20.866 (2) (zn), 2017 stats.~~

7           **SECTION 12.** 20.867 (4) (q) of the statutes is amended to read:

8           20.867 (4) (q) *Funding in lieu of borrowing*. As a continuing appropriation, all  
9 interest earnings of the capital improvement fund accrued after September 30, 1983,  
10 except interest earnings arising from the investment of proceeds of public debt  
11 contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after  
12 March 24, 1985, to permit funding in lieu of borrowing for the purposes for which the  
13 contracting of public debt is authorized under s. 20.866 (2) before March 24, 1985,  
14 and under s. 20.866 (2) (s) to (zm) and (zz) on and after March 24, 1985, and under  
15 s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to (zm) and (zz) on and after August 9, 1989;  
16 and to permit funding for the purposes for which the contracting of public debt is  
17 authorized under s. 20.866 (2) (u) and (uu), regardless of the borrowing limits under  
18 s. 20.866 (2) (u) and (uu), on and after August 9, 1989. Expenditures from this  
19 appropriation for each purpose under s. 20.866 (2) (s) to (zm) and (zz) may not exceed  
20 the net interest earnings attributable to the corresponding account created under s.  
21 18.08 (1) (b). Net interest earnings shall be allocated quarterly to accounts created  
22 under s. 18.08 (1) (b), on the basis of the average daily balance of each account during  
23 the quarter, except that accounts with a negative average daily balance shall not  
24 receive any interest earnings for that quarter. Balances attributable to accounts  
25 created under s. 18.08 (1) (b) may temporarily be utilized to support the expenditures

1 of other accounts, pending the sale of public debt to provide funds for the program  
2 purposes of other accounts. Notwithstanding s. 20.866 (2) (s) to (zm) and (zz) or any  
3 nonstatutory state building program project enumeration, this appropriation may  
4 be used in lieu of borrowing under s. 20.866 (2) (s) to (zm) and (zz) on and after March  
5 25, 1985, and in lieu of borrowing under s. 20.866 (2) (s) to (tz), (ug) to (ut), (uv) to  
6 (zm) and (zz) on and after August 9, 1989; and may be used regardless of the  
7 borrowing limits under s. 20.866 (2) (u) and (uu) on and after August 9, 1989.

8 **SECTION 13.** 20.867 (4) (r) of the statutes is amended to read:

9 20.867 (4) (r) *Interest on veterans obligations.* As a continuing appropriation,  
10 all interest earnings arising from the investment of proceeds of public debt  
11 contracted under s. 20.866 (2) (zn), 2017 stats., and s. 20.866 (2) (zo) on and after  
12 March 24, 1985 and all amounts transferred under 1985 Wisconsin Act 6, section 27,  
13 to permit the payment of debt service on the public debt.

14 **SECTION 14.** 25.17 (1) (xp) of the statutes is repealed.

15 **SECTION 15.** 25.36 (1) of the statutes is amended to read:

16 25.36 (1) Except as provided in sub. (2), all moneys appropriated or transferred  
17 by law shall constitute the veterans trust fund which shall be used for the lending  
18 of money to the mortgage loan repayment fund under s. 45.37 (5) (a) 12. and for the  
19 veterans programs under ss. 20.485 (2) (m), (tm), (u), and (z), and (5) (mn), (v), (vo),  
20 and (zm), 45.03 (19), 45.07, 45.20, 45.21, 45.40 (1m), 45.41, 45.42, 45.43, and 45.82  
21 and administered by the department of veterans affairs, including all moneys  
22 received from the federal government for the benefit of veterans or their dependents,  
23 and for the veteran grant jobs pilot program under s. 38.31 administered by the  
24 technical college system board; all moneys paid as interest on and repayment of loans  
25 under the post-war rehabilitation fund; soldiers rehabilitation fund, veterans



1 housing funds as they existed prior to July 1, 1961; all moneys paid as interest on  
2 and repayment of loans under this fund; all moneys paid as expenses for, interest on,  
3 and repayment of veterans trust fund stabilization loans under s. 45.356, 1995 stats.;;  
4 all moneys paid as expenses for, interest on, and repayment of veterans personal  
5 loans; the net proceeds from the sale of mortgaged properties related to veterans  
6 personal loans; all mortgages issued with the proceeds of the 1981 veterans home  
7 loan revenue bond issuance purchased with moneys in the veterans trust fund; all  
8 moneys received from the state investment board under s. 45.42 (8) (b); ~~all moneys~~  
9 ~~received from the veterans mortgage loan repayment fund under s. 45.37 (7) (a) and~~  
10 ~~(e);~~ and all gifts of money received by the board of veterans affairs for the purposes  
11 of this fund.

12 **SECTION 16.** 45.03 (15) of the statutes is amended to read:

13 45.03 (15) DEFERRAL OF PAYMENTS AND INTEREST ON LOANS. When a veteran or  
14 a member of the veteran's family makes application for deferment of payment of  
15 monthly installments and waiver of interest charges on veterans loans made under  
16 this chapter, showing that the ability of the veteran to make payment is materially  
17 and adversely affected by reason of military service, the department may, with the  
18 approval of the board, defer payment of monthly installments and waive interest  
19 charges on veterans loans made under this chapter for the duration of any period of  
20 service in the armed forces of the United States during a national emergency or in  
21 time of war or under P.L. 87-117 and 6 months from date of discharge or separation  
22 and the time for payment may be extended for the same period. ~~However, when funds~~  
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12 (1) **ELIMINATION OF THE VETERANS MORTGAGE LOAN REPAYMENT FUND.** On the  
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14 loan repayment fund become the assets and liabilities of the veterans trust fund.

15 (END)